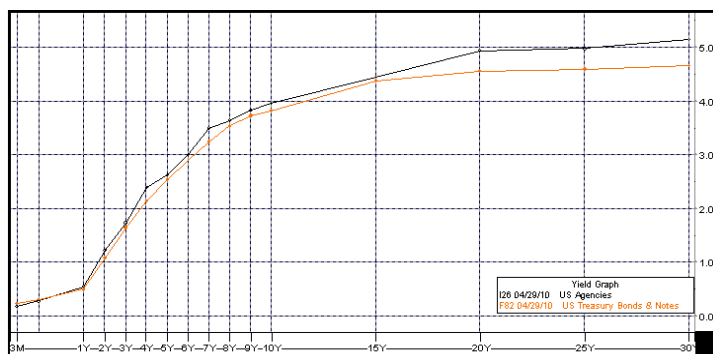


U.S. Economy Grows 3.2 Percent Annual Rate in First Quarter

Based on the advance estimate in real gross domestic product (GDP), the U.S. economy expanded at a 3.2 percent annualized pace during the first quarter of 2010. The first quarter GDP results can be attributed to a resurgence of the consumer that increased spending at a 3.6 percent annual pace, adding 2.55 percentage points to GDP. Economic output is in line with consensus forecasts with expectations of 3 percent growth for all of 2010. The back-to-back quarterly gains in GDP mark the economy's strongest performance since 2003.

Yield Curves (Agency vs. Treasury)



Source: Bloomberg

Our Methodology

The Federal Reserve continues to maintain the fed funds target range between zero and 0.25 percent. This is a particularly difficult economic environment and the direction of monetary policy in 2010 continues to be a much debated topic. Our strategy continues to be defensive (low risk), that being said, we will be carefully monitoring any fixed income opportunities that may present themselves once interest rates begin to make a turn. Our credit team continues to monitor the approved commercial paper list in an effort to keep a leg up on the competition. As always, the top priorities of TrustIndiana remain the safety of the public's funds, the maintenance of sufficient liquidity and the offering of a competitive yield.

Selected Current Economic Data

DATA	PERIOD	
GDP QoQ	Q1 '10	3.2%
GDP YoY	Q1 '10	2.5%
PPI YoY	Mar '10	6.0%
CPI YoY	Mar '10	2.3%
Jobless Rate	Mar '10	9.7%
Fed Funds Target	Apr 28 '10	0 – 0.25%

Source: Bloomberg

Treasury Yields

TERM	04/29/10	04/22/10	CHANGE
3-Month	0.16%	0.14%	0.02%
6-Month	0.23%	0.22%	0.01%
1-Year	0.38%	0.41%	-0.03%

Source: Bloomberg

Agency Yields

TERM	04/29/10	04/22/10	CHANGE
3-Month	0.24%	0.23%	0.01%
6-Month	0.32%	0.30%	0.02%
1-Year	0.56%	0.57%	-0.01%

Source: Bloomberg

Commercial Paper Yields (A-1/P-1 Dealers)

TERM	04/29/10	04/22/10	CHANGE
1-Month	0.24%	0.24%	0.00%
3-Month	0.33%	0.31%	0.02%
6-Month	0.47%	0.44%	0.03%
9-Month	0.58%	0.59%	-0.01%

Source: Bloomberg

The opinions expressed are those of TrustIndiana and are subject to change without notice.